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ANNUAL REPORT OF THE DAIRY BRANCH U. S. DEPT. OF AGRICULTURE  
Fiscal Year 1951 NATIONAL AGRICULTURAL LIBRARY

JAN 9 1969

## DAIRY PRODUCTS

Production of milk during the fiscal year 1951 totaled 1,006,000,000 as compared with 120,433,000,000 pounds during the previous 12-month period. Prices received by farmers for milk and butterfat increased during the year. The average price received by farmers for milk was 21 percent higher in June 1951 than in June 1950; the average butterfat price was 17 percent higher. Purchases under price support were much smaller than during the previous fiscal year. Butter purchases were 31 million pounds as compared with 203 million pounds a year earlier; cheese 30 million pounds as compared with 78 million pounds a year earlier; and nonfat dry milk solids 107 million pounds as compared with 458 million pounds a year earlier. A change in domestic civilian demand rather than a change in supply was the important cause of the increase in prices received by farmers for milk and butterfat.

Price Support

A new price support program became effective January 1, 1950, and continued through March 31, 1951, the end of the marketing year. Under this program, the Department supported prices to producers for manufacturing milk and butterfat at national average prices of approximately \$3.07 per hundred pounds for manufacturing milk of 3.95 percent butterfat (yearly average test) and approximately 60 cents per pound of butterfat, in accordance with the Agricultural Act of 1949.

The level of support was increased for the marketing year beginning April 1, 1951, to help counteract forces which were becoming unfavorable to milk production, and to encourage production to meet civilian and defense requirements. The announced support prices under this program were \$3.60 per hundred pounds of manufacturing milk and 67.6 cents per pound of butterfat. These prices were equal to 87 percent of the parity equivalent price for manufacturing milk and 90 percent of parity for butterfat at the time the program was announced. In carrying out the program for the 1951-52 marketing year, the Department offered to make carlot purchases of dairy products in the United States at the following prices:

<u>Product</u>	<u>Price</u>
	<u>Cents per pound</u>
Butter, U. S. Grade A or higher	66
Butter, U. S. Grade B	64
Cheddar cheese, U. S. Grade A or higher	36
Nonfat dry milk solids, spray process, U. S. Extra Grade	15
Nonfat dry milk solids, roller process, U. S. Extra Grade	13

The market outlook for dairy products changed materially during the year as a result of economic developments following the Korean outbreak. At the beginning of the year, prices were near the support level and Government

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holdings of butter, cheese, and nonfat dry milk solids were a major problem. The post-Korean increase in demand strengthened dairy prices during the fall of 1950. This increased demand, together with a slight decline in milk production, kept prices to producers above support levels during the remainder of the fiscal year. The Department sold substantial quantities of butter, cheese, and nonfat dry milk solids in domestic trade outlets during the year, and disposed of additional quantities through export sales and donations to school lunch programs and welfare agencies for needy persons in accordance with Section 416 of the Agricultural Act of 1949. By the end of the year all stocks of dairy products acquired under the 1949 and 1950-51 price support programs had been disposed of. Purchases after April 1 under the 1951-52 program were small, and most of the quantities purchased, principally nonfat dry milk solids was on hand at the end of the year.

Table 1 - Dairy products acquired by CCC under the Price Support Program: Available for disposal June 30, 1950, purchases July 1, 1950 to June 30, 1951, disposals by type of outlet July 1, 1950 to June 30, 1951 and available for disposal June 30, 1951

Item	Butter	Cheddar	Nonfat Dry
		Cheese	Milk Solids
<u>Million Pounds</u>			
Available June 30, 1950	175.7	69.5	341.5
Purchases	31.5	52.8	107.0
<u>Disposals</u>			
Sales			
Domestic Trade	133.1	26.2	82.3
Export Trade	-	-	8.6
Negotiated Exports	5.5	71.0	212.9
Total Sales	138.6	97.2	303.8
Donations (Section 416)			
Domestic	30.5	16.7	20.2
Foreign	37.9	8.4	105.6
Total	68.4	25.1	125.8
<u>Total Disposals</u>	207.0	122.3	429.6
Available June 30, 1951	0.2	-	18.9



Table 2- Price Support Purchases and Commercial Sales of Dairy Products  
During Year Ended June 30, 1951, by Months

Purchases

Month of Purchase Contract	Creamery Butter	Cheddar Cheese	Nonfat Dry Milk Solids		
	Pounds	Pounds	Spray Pounds	Roller Pounds	Total Pounds
<u>1950</u>					
July	24,707,814	27,071,026	39,284,995	11,980,199	51,265,194
August	5,554,827	17,460,368	22,230,879	3,647,500	25,878,379
September	1,014,324	5,575,746	10,272,631	895,895	11,163,526
October	-	2,397,000	4,117,816	54,000	4,171,816
November	-	169,492	1,308,120	45,000	1,353,120
December	-	-	525,160	-	525,160
<u>Total</u>	<u>31,497,831</u>	<u>52,788,797</u>	<u>90,077,429</u>	<u>16,914,194</u>	<u>106,991,623</u>

Sales

Month of Sales Contract	Creamery Butter	Cheddar Cheese	Human Food	Nonfat Dry Milk Solids	Total
	Pounds	Pounds	Pounds	For Animal Feed	Pounds
<u>1950</u>					
July	136,009	40,488	-	-	-
August	1,369,679	600,323	141,800	224,451	366,251
September	9,100,612	408,976	1,089,452	-	1,089,462
October	11,359,582	519,242	7,628,370	-	7,628,370
November	27,267,165	4,487,667	11,747,709	3,839,910	15,587,619
December	57,297,446	12,283,463	10,143,730	5,670,432	15,814,162
<u>Total</u>	<u>133,087,440</u>	<u>26,192,502</u>	<u>56,731,989</u>	<u>25,539,338</u>	<u>82,271,327</u>
<u>1951</u>					
January	17,143,641	7,814,502	19,318,805	342,424	19,661,229
February	5,696,379	37,841	5,142,853	1,955,794	7,098,647
March	3,645,351	-	1,519,260	5,619,520	7,138,780
April	-	-	-	1,882,370	1,882,370
May	70,135	-	-	3,101,687	3,101,687
June	1,441	-	-	2,902,750	2,902,750



Defense Production Act

The Branch performed a number of activities arising from the provisions of the Defense Production Act, such as (a) assembling and analyzing economic data for use by the Dairy Supply Estimates Committee in developing recommendations concerning production guides, supplies, allocations and related programs for milk and dairy products; (b) assembling and analyzing economic data and preparing recommendations concerning the determination of legal minimum ceiling prices for milk and dairy products; and (c) participating in the development of the Department's recommendations concerning manpower policies and programs affecting the dairy industry.

Marketing Agreements and Orders

The number of Federal orders regulating the handling of milk increased during the fiscal year from 37 to 41. The four new orders issued cover the following marketing areas: Memphis, Tennessee; Milwaukee, Wisconsin; Springfield, Missouri; and Puget Sound, Washington. An order has also been issued for the Muskogee, Oklahoma, marketing area to become effective on July 1, 1951. Approximately 156,000 producers, delivering about 19,149 billion pounds of milk, valued at about 800 million dollars, were affected by the orders during the year.

Table 3- Average number of producers and annual volume of pooled milk in marketing areas regulated by Federal milk orders July 1, 1950 to June 30, 1951

Market	Number of		Volume of pooled milk
	producers	Number	
Boston, Mass., 201-210 mile zone	: 13,107	:	1,429,651
Chicago, Illinois, 70 mile zone	: 21,308	:	3,438,831
Cincinnati, Ohio	: 5,389	:	363,820
Cleveland, Ohio	: 7,100	:	677,892
Clinton, Iowa	: 113	:	14,368
Columbus, Ohio	: 2,127	:	220,377
Dayton-Springfield, Ohio, Grade A	: 2,474	:	234,091
Dubuque, Iowa	: 223	:	32,642
Duluth-Superior, Minn.-Wis.	: 1,384	:	107,311
Fall River, Mass., 20 mile zone	: 324	:	49,378
Fort Wayne, Indiana	: 1,107	:	91,105
Kansas City, Mo.-Kansas	: 2,810	:	309,161
Knoxville, Tenn.	: 611	:	83,627
Lima, Ohio	: 354	:	32,500
Louisville, Kentucky	: 2,123	:	243,538
Lowell-Lawrence, Mass.	: 1,005	:	113,175
Memphis, Tennessee/*	: 1,053	:	115,601
Milwaukee, Wisconsin?/*	: 3,080	:	250,900
Minneapolis-St. Paul, Minn.	: 5,808	:	673,576
Nashville, Tennessee	: 988	:	128,553
New Orleans, La., 61-70 mile zone	: 2,848	:	230,257

Continued



Table 3- Average number of producers and annual volume of pooled milk in marketing areas regulated by Federal milk orders July 1, 1950 to June 30, 1951 - continued

Market	Number of	Volume of
	producers	pooled milk 1,000 lbs.
New York, N. Y., 201-210 mile zone	50,192	6,811,532
Oklahoma City, Oklahoma	1,227	113,867
Omaha-Council Bluffs, Nebr.-Iowa	1,939	140,118
Paducah, Kentucky	306	23,630
Philadelphia, Pennsylvania	8,953	1,098,701
Quad Cities, Ill.-Iowa, Grade A	771	103,380
Quad Cities, Ill.-Iowa, Non-grade A <sup>3/</sup> *	688	240,669
Rockford-Freeport, Ill.	278	44,600
St. Louis, Mo.	4,126	461,478
Sioux City, Iowa	511	40,213
South Bend-LaPorte, Indiana	787	85,276
Springfield, Massachusetts	1,340	170,824
Springfield, Missouri <sup>4/</sup> *	906	45,436
Suburban Chicago	2,470	281,796
Toledo, Ohio	1,881	167,431
Topeka, Kansas	392	40,166
Tri-State: Huntington District Plants	810	60,367
Other Plants	890	69,234
Tulsa, Oklahoma	759	107,713
Wichita, Kansas	878	94,365
Worcester, Massachusetts	814	107,482
Total	156,254	19,148,682

\*Data are only for period during which order is effective.

1/ Order effective October 1.

2/ Order effective November 1; pricing provisions effective December 1.

3/ Suspended from order effective April 16.

4/ Order effective March 1.

SOURCE: Reports of the market administrators.

Marketing areas for which promulgation hearings had been held and Federal order proceedings were in process include: Detroit, Michigan; North Texas; Wichita Falls, Texas; Cedar Rapids, Iowa; Neosho Valley; and Western Michigan. Notice had been issued of a promulgation hearing to commence in Providence, Rhode Island, on June 25. Petitions for hearings on proposed orders were received from 7 other milk marketing areas not presently under Federal regulation, and 12 additional new markets made inquiry concerning Federal order programs.

New markets petitioning for hearings during the year include: Central West Texas; Bogalusa, Louisiana; San Antonio, Texas; Sioux Falls, South Dakota; Canton-Massillon-Alliance, Ohio; Fort Smith-Van Buren-Camp Chafee, Arkansas; and Kay County, Oklahoma.



During the year 42 public hearings were held to receive testimony relative to new orders or amendments to existing orders. Thirty-two amending orders issued during the year resulted from hearings held this year or earlier.

Three orders were issued to suspend certain provisions of existing orders.

Four public meetings were held during the year pursuant to requirements set forth in the Administrative Procedure Act. Two of these meetings concerned proposed market administrator rules and regulations, one concerned a proposed suspension order, and one concerned the setting of an equivalent cream price for use in connection with certain orders. On three occasions amendments to market administrators' rules and regulations were issued.

Seven petitions were filed by handlers for review of order provisions or market administrator regulations under section 15(A) of the Act, and 10 decisions or dismissals concerning petitions filed during the past or prior years were issued by the Judicial Officer. On May 31, 1951, action was pending on 29 petitions.

Four handlers filed action in U. S. courts to appeal 15(A) decisions issued by the Judicial Officer and one handler brought suit against an individual as market administrator and as referendum agent to restrain him from counting the votes in a referendum. The Government brought action against seven handlers to enforce order provisions. Action was completed on 15 cases commenced during the past or prior years.

Decisions were handed down in the following important cases:

Babylon Milk and Cream Co. v. Brannan, C 10342, New York Order. On September 19, 1950, judgment was entered in the District Court upholding the Judicial Officer's ruling, which in turn upheld the validity of the compensatory payment provision of the New York Order.

Stark v. Brannan, C 10365 and 10366, Boston Order. On November 9, 1950, the U. S. Court of Appeals for the District of Columbia ruled that the co-operative payment provision was beyond the authority of the statute and affirmed the previous decision of the District Court in this case.

DeCoursey Cream Co., Inc., v. Brannan, C W-87, Wichita Order. On December 15, 1950, the U. S. District Court for the District of Kansas handed down an opinion adverse to the Government in this case. The issue involved was whether the handler was obligated to account for producer milk as Class I, for which producers receive credit under the allocation provisions, notwithstanding the assertion of the handler that uninspected (and unpriced) milk was actually used in certain out-of-market Class I sales.

Crystal Lake Dairy Co. v. Brannan, 50 C 275, Chicago Order. On February 20, 1951, the U. S. District Court for the Northern District of Illinois handed down a decision ruling that the plaintiff did not have justiciable interest in the action, that the special price provision of the order effective for the month of November 1947 was adequately supported by evidence in the record, and that ample notice was given of the amendment hearing. On February 21, 1951, the order was entered dismissing the case.



U. S. v. Fred Twietmeyer, dba Homewood Farms Dairy, C 49 C 801, Chicago Order.  
On May 21, 1951, final judgment was issued in this case involving obligations imposed on the handler for underpayments to producers based upon evidence of falsification of weight records observed to have been made with respect to deliveries on not less than 5 days in each month of a 5-month period in 1948. The handler was ordered to make all payments due under the order by July 1, 1951. Final judgment was entered May 31, 1951.

#### Agricultural Supply Program

The Branch participated in the development of programs for the procurement of dairy products for export to European countries under financial aid received from the Economic Cooperation Administration. A total of 694,500 cases of evaporated milk and 1,275,000 pounds of Cheddar cheese were purchased during the fiscal year ending June 30, 1951, for shipment to Greece. Small quantities of dried whole milk and sweetened condensed milk were also purchased under ECA financing for shipment to Indochina. Requirements of other dairy products from the United States under these programs were made available from price support stocks rather than from direct purchases.

#### School Lunch and Other Distribution

The Department made available from CCC price support stocks for distribution to school lunch programs and to welfare agencies assisting needy persons in the United States under authority of Section 416 of the Agricultural Act of 1949, approximately 30 million pounds of butter, 17 million pounds of cheese, and 20 million pounds of nonfat dry milk solids. These supplies were donated free of charge at warehouse location of stocks largely during the period from July through December 1950. In December 1950, donations of butter and cheese under this program were discontinued because of the strong commercial demand which had developed for remaining CCC stocks of these commodities. During the year the Department purchased 6,880,020 pounds of processed American cheese for distribution primarily to school lunch programs.

#### Foreign Assistance Programming

The Branch assembled and analyzed information on current and prospective supplies and price conditions for the various dairy products for use in ECA programs. During the year approximately 7 million dollars was authorized by ECA for the procurement of dairy products originating in the United States. In addition, nearly 2 million dollars was made available by the Department of State for shipment of dried milk to Yugoslavia. In accordance with the provisions of the Foreign Assistance Act of 1948, recommendations were developed regarding determinations required by the Secretary of Agriculture concerning "surplus agricultural commodities" and the use of ECA funds for the procurement of dairy products in countries other than the United States.

#### Import Controls

The Branch aided in the administration of Public Law 590 which authorized restrictions of imports of fats and oils, including butter, rice, and rice products. Restrictions on imports of butter facilitated the liquidation of stocks acquired under the price support program.



Defense Activities - Materials and Facilities

The Dairy Branch participated in the development of programs designed to conserve raw materials in short supply so that requirements for defense purposes and those of essential supporting industries could be met, as far as possible. These activities were carried on in cooperation with the National Production Authority and with other administrative units within the Department of Agriculture.

The Branch developed estimates of requirements of the dairy industry for dairy equipment, machinery and container materials needed in the production, processing and packaging of milk and milk products. It assisted in the development of a program to provide 40 quart milk cans needed by farmers to haul milk from farms to dairy processing plants.

Additional activities included the analysis of proposed construction projects by dairy concerns, the development of recommendations regarding accelerated tax amortization to be allowed with respect to individual projects and the assistance to the dairy industry in obtaining relief from hardship brought about by shortages of supplies and equipment.

Of particular interest was the development by NPA of the controlled materials plan under which all steel, copper and aluminum will be allocated. Dairy industry equipment both on the farm and in processing plants is considered to be essential and the Dairy Branch will attempt to secure adequate allocation of controlled materials to meet the needs of the industry.

Market News

The program for future expansion of the dairy and poultry market news service, which was prepared during 1948-50, was used in planning the expansion accomplished during the fiscal year 1951. The broiler reporting service was improved, the service at the Chicago terminal market was broadened, and the over-all field office supervision was strengthened. A full-time dairy and poultry market news service was established at Pittsburgh under a new co-operative agreement with the Pennsylvania Department of Agriculture. Local services at all field offices were improved, and in some cases expanded to include additional commodities. The dissemination of market news was increased through all outlets. The increase in names on mailing lists was about 15 percent, and radio station outlets utilized increased about 10 percent. A survey made of the market pages of daily newspapers throughout the country indicated that approximately 75 percent are carrying dairy and poultry market news. The field organization of the Division includes 32 offices in terminal markets or producing areas, three-fourths of which are operating under Federal-State agreements. The latter includes 16 different States.

Broiler Reports Strengthened - A principal development during 1950-51 occurred in connection with the broiler market news service, particularly in the Delmarva area. The original arrangement under cooperative agreements with the States of Maryland, Delaware, and Virginia, provided for State personnel in Maryland and Delaware spending part-time in assembling price information from poultry processors and other buyers in the area. After additional funds for improving the service became available, a revised co-operative agreement was executed, whereby a full-time reporter was placed



in charge of the Delmarva work, and leased wire service was installed at Salisbury, Maryland, where by mutual agreement the centralized office is now located. Broiler reports in other areas were also improved through broadening local coverage and assembling additional information, principally as to volume of marketings. The possibility of reporting prices paid producers making deliveries to processing plants, as well as prices paid at the farm, is being explored in those areas where both prices are not now being assembled.

One New Office Opened - A new cooperative agreement with the Pennsylvania State Department of Agriculture was signed during the year, providing for a full-time market reporter to cover dairy and poultry products in that market. The new Pittsburgh arrangement became effective April 1, and the expanded service is now well under way. The Pennsylvania agreement was drawn up to include the Philadelphia office also under the Federal-State program.

Supervision Strengthened - The addition of another technical employee to the Washington office made it possible to strengthen the supervision of field office operations, through more frequent visits to offices, several surveys of local problems, and more analysis of price information assembled. The field organization of the Division now includes 32 offices. Supervision of the five West Coast offices is handled through the San Francisco office, but all other supervision is from Washington. Provision for a supervisor in the central part of the country, as originally planned, will aid materially in keeping the work of offices in that area better coordinated with the over-all program. Members of the Washington staff visited most of the field offices at least once during the year. In cases where new personnel was being assigned, or where there were special problems, additional visits were made as required. The additional technical employee in the Washington office was a material aid in supervising and assisting field offices when special problems existed.

Federal-State Projects - Approximately three-fourths of the 32 field offices are now operating on a Federal-State basis. This includes arrangements with 16 States. The few problems which have arisen in markets operating under cooperative agreements have been due principally to difficulty of coordinating objectives and procedure. Rapid transportation facilities have placed areas which are far apart in competition with each other, and the need for providing market news on a uniform basis is obvious. New projects in several States, which have been financed by Marketing & Research funds, should provide background material if and when new market news services should be later developed in these States. The 5-year plan for market news expansion anticipated picking these up as market news projects proper, when the exploratory work was completed, but that accomplishment will depend upon additional funds being made available.

New Fields of Interest - Repeated evidence developed during the year as to the need for market news expansion into new areas. Mailing list circularization returns from Texas requested that market news covering the broiler areas of Texas be established. In Illinois, the State Division of Markets is interested in developing a market news program. Whenever the opportunity presented itself, suggestions were made to the end of coordinating State work with the Federal and Federal-State market news programs in other States. An active relationship was maintained with personnel in States where market news projects are being carried on under Marketing & Research funds.



Local Field Office Developments: - Existing services were expanded or improved, and new possibilities explored at individual offices as listed below:

Atlanta: - Reporting of local prices of sweet cream and dry milk was initiated during the year. While the volume of trading in these products is not heavy, as compared with the larger markets, these prices reflected market conditions in the Southeastern part of the country. Reporting of egg prices was given particular attention. The relatively small volume of eggs reaching Atlanta from so-called nearby areas have made it difficult to report delivered prices paid for this class of eggs. But, since many locally produced eggs are sold direct to retailers, the reporting of prices to retailers appears to be serving local producers equally well. Most of the eggs for local trading at Atlanta are received from Northern and Midwestern States, and prices are based on Chicago. These eggs are handled by receivers who are operating both wholesaling and jobbing business, and thus compete with nearby producers who sell direct to the same outlets. Therefore, the reporting of wholesale prices is under consideration, and exploratory work along this line is under way. The Atlanta office handles the reporting of live poultry prices in the North Georgia broiler area. Because of the various arrangements and business connections between producers, feed dealers and processors, and the resulting limitations of coverage in reporting prices paid f.o.b. farm, it has been proposed prices paid f.o.b. processing plants be also reported. A study of this possibility and trade reaction to the proposal, which was started recently, has not been concluded. Weekly storage reports for Atlanta which had previously been made available, were discontinued after January 1, since the information did not appear to have any particular significance.

Baltimore: - The reporting of egg and poultry markets at Baltimore continued to be a problem, and numerous conferences with the trade and State officials were held during the year. This work is now carried on as a side line of the fruit and vegetable service. A proposed improvement through modification of the Federal-State agreement has not yet materialized. However, an intensive survey of the market has just been completed (May 1951), and a definite program has been outlined. It has been agreed that if such can not be developed early in 1951-52 under the Federal-State agreement, the egg and poultry work at Baltimore should be discontinued.

Birmingham: - This office is handling the broiler market news service for Northern Alabama, and additional coverage was developed during the year as the industry expanded. An intensive radio program on market news over a State network clears through the Birmingham office.

Chicago: - Additional personnel was assigned to the Chicago office for the purpose of improving market news on live and dressed poultry. One of the serious problems encountered is the continued use by the trade of a base quotation furnished by a commercial agency. This complicates the local situation, as do also certain peculiarities with respect to local trade preferences. However, progress was made. The importance of the local live poultry report was increased as the result of arrangements for disseminating the information over Radio Station WLS, which has wide coverage. Although general trends point to less live poultry trading in the large terminal markets, and an increase in the handling of slaughter operations at country processing plants, live poultry is still received in considerable quantities. That and the importance attached to Chicago live poultry prices, make this work an important segment of the work handled by the Chicago office.



Cincinnati: - The reporting of live poultry prices in this market became so involved during the year, due to changing market practices that special assistance was provided by the Washington office on several occasions, one of which included a re-survey of the local market methods and trading operations.

Cleveland, Ohio: - The reporting of local prices of dressed poultry was started at Cleveland. During part of the year, the local reporter prepared and voiced an early morning radio program covering live poultry. This was discontinued later when the radio station cancelled the market news program in favor of paid commercial programs. Our Cleveland representative assisted and participated in several local television programs dealing with various phases of egg marketing, and also assisted in developing the local program of the Food Distribution Branch relating to plentiful foods and best buys.

Des Moines: - The Iowa market news project was financed in part during 1950-51 with Marketing and Research funds. This made it possible to assemble price information by telephone instead of mail, thus providing more timely information. While this office operates under a Federal-State agreement, the form of release represents a State point of view, which is that prices reported for the State as a whole, are equally as valuable as prices reported for separate producing areas within the State. This Division feels that State-wide price reports place producers at a disadvantage, in that such information does not indicate in which sections the higher and the lower prices prevail. This is a particularly important point when price ranges are wide.

Dover - Salisbury: - Under the original Federal-State agreement, covering reporting of broiler prices in the Delmarva area, the assembling of price data in the Delaware portion of the area was handled at Dover, Delaware by the Delaware Bureau of Markets, and the Maryland and Virginia portions of the area were handled at Salisbury, Maryland by the local office of the State Extension Service. This arrangement was approved by Virginia insofar as dealers or plants in that part of Virginia are in the Delmarva area.

The additional funds made available for improving the broiler market news service during 1950-51, resulted in a new plan of operation being developed, whereby a full-time reporter was appointed to handle the entire area from the Salisbury office. The States of Delaware and Maryland share in the cost of operating the full-time service, and the leased wire service now available at Dover and Salisbury. The leased wire drop at Dover provides the Delaware Bureau of Markets with the general market information moving over the wire, including the broiler report for use in a State report. That report and the one issued at Salisbury carries a Federal-State heading.

Fayetteville, Arkansas: - The Fayetteville office originally covered the reporting of live poultry prices in northwest Arkansas only. A new producing area (Batesville-Floral) in the north central part of the State was more adequately covered during the year.

Fresno, California: - The practicability of a market news office at Fresno, for poultry particularly, is evidenced by the performance of the local office operated in part during 1949-50 and 1950-51 under Marketing and Research funds. Located in the center of what is apparently the largest turkey producing area in the world, information regarding prices and conditions in that area has been disseminated widely over the teletype system.



and by radio. The Fresno office also gathers and releases information regarding eggs and dairy products. One of its important functions is getting terminal market information back to local producers and dealers.

Jackson, Mississippi: - Although limited by relatively light and scattered production, the Jackson office was able to develop the proposed plan of a year ago to report prices of eggs and poultry at key country points in the State. Current weekly releases now show the range of prices in Northern Central and Southern Mississippi, the volume of purchases, and percentages of volume at various narrow price ranges when the over-all range for a given area is unduly wide.

Los Angeles, California: - The compilation of receipts of live poultry by classes was undertaken during the year. However, questionable accuracy as to the detailed information, and difficulty of maintaining satisfactory trade cooperation led to discontinuance of the report after a four-months trial period. It is proposed that another attempt will be made later to assemble somewhat similar information on a less detailed basis.

New York, N. Y.: - Numerous changes in personnel which occurred at New York during the year tended to slow down the progress of that office, but despite this problem, progress was made. The dressed poultry market received special attention, since local prices of this product have wide influence on prices paid for live poultry all the way from New England south to Virginia, and possibly beyond that. Conferences were held with the New York State Bureau of Markets and the City Department of Markets regarding the live poultry reporting work at the Live Poultry Terminal in Long Island City, which is being carried on under a cooperative agreement including those agencies and this Department. New York City is the largest and in most respects the most important market in the country. It is not strange, therefore, that considerable difficulty has been experienced in developing uniformity of terminology and the application of approved reporting technique. Part of this difficulty is due to the long established custom of using the published quotations of a commercial reporting agency as a trading base. Another of the problems is the use of some terms relative to quality or origin of product which imply a different interpretation than what actual conditions are. The conferences held have helped develop uniformity of thinking and close coordination of effort by these agencies. While it is beyond the scope of the market news service to change customs and practices, nevertheless the long time influence of such coordination should be beneficial. A survey of the New York casein and cream markets, from the standpoint of price reporting, was made by a representative of the Washington office, and reports on these are in the process of preparation.

Philadelphia, Pennsylvania: - Philadelphia began operating as a Federal-State office on April 1 following the signing of a cooperative agreement with the Pennsylvania Department of Agriculture. This arrangement also included Pittsburgh.

Pittsburgh, Pennsylvania: - A full-time dairy and poultry market news field office was established at Pittsburgh on April 1, 1951, under a cooperative agreement with the Pennsylvania Department of Agriculture (Bureau of Markets). Preceding the inauguration of the expanded local program, a limited amount of information regarding egg prices and storage movements



was assembled through the cooperation of the local F&V market reporter. This was not a satisfactory arrangement because the F&V reporter could not devote the required time to do a good job. The new arrangement with the State Department of Agriculture provides for a full-time dairy and poultry market reporter. Preceding the opening of this office, a survey of the market and market practices was made by the Market News Division. Attention under the new setup was directed first toward poultry and egg price reporting. The lack of adequate information regarding these products was largely responsible for State funds being made available to get this work started. Gradual expansion to include other products will be made.

Salisbury, Maryland: - (See Dover - Salisbury above).

Seattle, Washington: - Due to the marked trend toward the selling of cut-up poultry, the Seattle office began reporting prices during the latter part of the year. Fryers only are reported at present. A rough estimate places the amount of poultry now sold as fresh chilled cut-up by poultry processors in Seattle and Western Washington as close to 90 percent of receipts. The Seattle office also began the release of a weekly report showing movements of butter and eggs into retail channels.

Market News Handbook Revised: - The Dairy and Poultry Market News Handbook originally prepared in 1945, was revised during the year, and brought up to date, including amendments made from time to time. A copy of the Handbook is in the hands of every field office market reporter, as a guide regarding market news policy and procedure.

Description of Commodity Reporting: - The first two in a proposed series of statements describing the handling and reporting of individual commodities in local markets were prepared. These deal with casein and sweet cream at New York. The statements describe the nature of the product, local marketing practices, trading level covered, and market reporting procedure. They will provide detailed information of value to persons or firms buying and selling the commodity, and to others who in one way or another use the published information.

Public Relations: - In addition to maintaining the type of relationships with members of the trade which is essential to maintaining voluntary co-operation, various members of the field office staff took advantage of opportunities offered to explain the assembling and meaning of market news reports to groups of producers, dealers and others at informal meetings. The Washington office personnel participated in the foregoing when possible, and also made special effort to cultivate and maintain good relationships with State marketing officials.

Dissemination of Information: - The attached summary shows the extent to which market reports were distributed by mail during the year. Supplementing this outlet were radio broadcasts in practically every market, some of which were voiced by the local market reporter. A joint survey was made during the year by all of the Market News Divisions and the Office of Information regarding the extent to which daily newspapers publish market information. Analysis of the material assembled from approximately 1,000 of the 1,800 dailies indicates that dairy and poultry market news was being carried in 73 percent of them. The percentages by geographic areas



were: North Atlantic 67 percent; North Central, 80 percent; Southern, 63 percent; and Pacific Coast, 76 percent. In addition to mailed reports and press outlets, approximately 900 radio stations are broadcasting dairy and poultry market news regularly. This is an increase of 10 percent over the previous year.

DAIRY AND POULTRY MARKET NEWS OFFICES

Atlanta 5, Ga., 50 Seventh Street, N.E. . . . .	R. S. Cotter
*Baltimore 2, Md., 801 Appraisers' Stores Bldg. . . . .	D. L. Smith
*Birmingham, Ala., 1310½ First Avenue North. . . . .	Benton Morgan
Boston 10, Mass., 723 Appraisers' Stores Bldg. . . . .	N. A. Dakin
Chicago 5, Ill., 623 South Wabash Avenue. . . . .	F. R. Simpson
*Cincinnati 2, Ohio, 507 U. S. Post Office & Court House Bldg. . . . .	C. C. McClure
*Cleveland 15, Ohio, No. Ohio Food Terminal, 4000 Orange Avenue. . . . .	R. J. Van Houten
*Columbus 15, Ohio, 716 State Office Building. . . . .	R. E. Slack
**Denver 2, Colo., 555 U. S. Custom House . . . . .	W. P. Cudmore, Jr.
*Des Moines 9, Iowa, 424 Tenth Street . . . . .	K. L. Urban
*Detroit 26, Mich., 1402 Cadillac Square Bldg. . . . .	Robert Cooney
*Dover, Dela., Bureau of Markets, Delaware Board of Agriculture . . . . .	J. E. Blades
*Fayetteville, Ark., Inst. of Science & Technology, Un. of Ark. . . . .	J. W. Coddington
**Fort Worth 2, Tex., 511-513 U. S. Court House. . . . .	M. C. Gregory
*Fresno, Calif., 2305 Los Angeles St., P. O. Box 1368. . . . .	D. A. Lockhart
*Harrisonburg, Va., 116 Reservoir Street . . . . .	E. H. Ralston
*Jackson 6, Miss., 352 Woodrow Wilson Avenue . . . . .	H. F. Stevens
*Little Rock, Ark., 812 East 13th Street . . . . .	Shelby Sevier
*Los Angeles 21, Calif., 298 Wholesale Terminal Bldg. . . . .	R. F. Brueckner
*Louisville, Ky., Kentucky Division of Markets, P.O.Box 1061. . . . .	E. L. Clark
*Madison 2, Wis., 342-N, State Capitol Bldg. . . . .	D. F. Mattson
*Montgomery 1, Ala., 515 Dexter Avenue . . . . .	H. Jack Jones
**New Orleans 12, La., 1412 Masonic Temple Bldg. . . . .	E. D. Miller
New York 14, N. Y., Room 820, 641 Washington St. . . . .	L. C. Giffin
*Philadelphia 6, Pa., 604-A Custom House . . . . .	R. S. Smith
*Pittsburgh 22, Pa., 502 Victory Building. . . . .	R. O. Morgan
Portland 5, Oreg., 308 U. S. Court House. . . . .	T. E. Fallihee
*Raleigh, N. Car., Division of Markets, 302 State Agriculture Bldg. . . . .	C. F. Tarleton
*Salisbury, Md., County Court House . . . . .	Wm. R. McKnight
St. Louis 1, Mo., 946 U. S. Custom House. . . . .	W. W. Oswald
*San Francisco 11, Calif., 737 Appraisers' Stores Bldg. . . . .	F. H. McCampbell
*Seattle 4, Wash., 236 Federal Office Bldg. . . . .	E. R. Johnson
Washington 25, D. C., 2723 South Agriculture Bldg. . . . .	L. M. Davis, Chief

\* Federal-State Office.

\*\* In cooperation with Fruit and Vegetable Market News Division.



Table 4.—Number of Names on Dairy and Poultry Market News Mailing Lists

Offices	Daily Market Report	Daily Live Poultry Report	Daily Turkey Report	Weekly Dairy Review	Weekly Egg and Poultry Review	Weekly Milk & Cream Report	Monthly and Annual Milk and Cream Report	Monthly and Annual Live Poultry Report	Monthly and Annual Origin of Receipts	Monthly Cold Storage	Monthly Pacific Coast Shipments of Eggs	Monthly and Annual Shipments to West	Monthly Dairy Review and Supplement	Monthly Egg and Poultry Review and Supplement	Annual Dairy and Poultry Market Statistics
Atlanta	2,111	-	-	-	-	-	-	-	(1) 457	-	-	-	-	-	-
Baltimore	257	-	-	-	-	-	-	-	(1) 256	261	-	-	-	-	-
Boston	4,158	-	-	-	-	-	-	-	600	559	-	-	-	-	-
Chicago	3,508	-	-	-	-	-	-	-	1,700	2,105	-	-	-	-	-
Cincinnati	1,394	-	-	-	-	-	-	-	277	-	-	-	-	-	-
Cleveland	1,600	-	-	-	-	-	-	-	175	-	-	-	-	-	-
Columbus	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denver	203	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Des Moines	(2)	236	-	-	-	-	-	-	-	-	-	-	-	-	-
Detroit	1,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dover	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fayetteville	1,350	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fresno	914	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jackson	719	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Los Angeles	7,026	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Madison	921	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Montgomery	(2)	314	-	-	-	-	-	-	-	-	-	-	-	-	-
New Orleans	1,029	3,192	-	-	-	-	-	-	-	-	-	-	-	-	-
New York	3,607	855	-	-	-	-	-	-	-	-	-	-	-	-	-
Philadelphia	2,980	638	-	-	-	-	-	-	-	-	-	-	-	-	-
Pittsburgh	269	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Portland	781	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raleigh	550	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salisbury	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
St. Louis	1,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Francisco	4,120	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seattle	1,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Washington, D. C.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	14,204	3,192	3,212	5,232	2,169	1,640	1,751	897	8,051	8,315	1,474	1,512	4,070	5,500	5,500
1950 Total	3,200	4,453	5,357	8,232	1,947	1,953	3,006	9,994	8,955	1,484	1,480	5,618	5,534	6,100	11,986,313
1949 Total	38,616	3,200	-	-	-	-	-	-	-	-	-	-	-	-	1949

1/ Monthly report only.  
2/ Semi-weekly report.

Note.—Changes in number of copies mailed by individual offices as compared to previous year due largely to rezoning of mailing lists during 1950-51.

Estimated No. copies mailed. 13,132,441  
1950  
1949



Standardization

The increased demand for high-quality dairy products has continued to develop interest in the dairy industry in grading and quality-improvement work. Emphasis on the development of quality standards for grades of milk and milk products has, therefore, been continued during the year. In this connection, the following activities were undertaken.

U. S. Standards for Grades of Cheddar Cheese were promulgated.

U. S. Department of Agriculture Scorched Particle Standards for Dry Milks were promulgated.

A revision of the Tentative U. S. Standards for Grades of Milk for Use in the Manufacture of Dairy Products, based upon comments received from representatives of State colleges, State departments of agriculture, industry, and trade organizations was published in the Federal Register as a proposed rule making to establish U. S. Standards for Grades of Milk for Use in the Manufacture of Dairy Products. The time for submitting written data, views, or arguments for consideration in connection with these proposed standards expires June 30, 1951.

A revision of the preliminary draft of Tentative U. S. Standards for Grades of Cream for Use in the Manufacture of Butter, based upon comments received from representatives of State colleges, State departments of agriculture, industry, and trade organizations, was published in the Federal Register as a proposed rule making, to establish U. S. Standards for Grades of Cream for Use in the Manufacture of Butter. The time for submitting written data, views, or arguments for consideration in connection with these proposed standards expires June 30, 1951.

A new, more accurate, and quicker method of determining scorched particles in roller process nonfat dry milk solids through disc filtration by using a pepsin-hydrochloric acid solution was published in the Journal of Dairy Science as well as in mimeograph form for use by the Dairy Industry. The method as published necessitated holding the sample 20 minutes in a 45° C. water bath and bringing the sample to a boil prior to filtering. It was, therefore, recognized that a more rapid method of filtration was needed. Such a method was developed by the use of a hot sodium citrate solution. The practicability and reproducibility of the method was determined by a cooperative project conducted by members of the Standards Section, the Dairy Branch Laboratory at Chicago, Illinois, and the Veterinary Section, Army Medical Laboratory, Army Medical Center, Washington, D. C. This method will be published in the Journal of Dairy Science and released in mimeograph form to the dairy industry.

U. S. Standards for Grades of Nonfat Dry Milk Solids have been published in the Federal Register and will become effective July 8, 1951. These standards are a revision of that part of Tentative U. S. Standards for Grades of Dried Skim Milk and Dried Whole Milk relating to Dried Skim Milk.

Information is being assembled for use in revising the tentative U. S. Standards for Dried Whole Milk.



The results of regrading 25 million pounds of Cheddar cheese purchased in 1949 by the Commodity Credit Corporation and 180 million pounds purchased in 1950 were tabulated and summarized. A report showing the percentage of Cheddar cheese that decreased in grade during storage and the cause for the decrease was prepared and distributed to members of the industry and other interested parties. This report will be used to determine if changes should be made in our Cheddar cheese standards which will improve them for use in selecting Cheddar cheese for storage purposes.

The results of regrading 98 million pounds of butter purchased in 1949 by the Commodity Credit Corporation and 128 million pounds purchased in 1950 were tabulated and summarized. This tabulation and summary shows the percentage of butter that decreased in grade during storage and the cause for the decrease. This information will be distributed to members of the dairy industry and other interested parties, and it will be used in revising our present butter grades.

Information is being assembled to show whether or not our present Tentative U. S. Standards for Grades of Swiss Cheese should be revised.

Literature reporting technical research and other information relating to the quality of butter oil was reviewed. This information will be used in establishing standards for this product.

The use of uniform standards for classification of dairy products was demonstrated and promoted through the Collegiate Students' International Contest in Judging Dairy Products. Judging teams comprised of 3 members and an alternate from 26 colleges participated in this contest, and much valuable information was disseminated regarding the importance of quality in dairy products. Rules for the 1951 contest have been forwarded to all agricultural colleges.

Assistance was given in the preparation of Federal Specifications for (1) Cheese; Processed, Canned, (2) Cheese; Cheddar, (3) Milk; Sweetened, Condensed, (4) Cheese; Cheddar, Processed, and (5) Cream and Half-and-Half; Fresh.

Assistance was given in the preparation of Military Specifications for (1) Cheese; Processed, Canned, (2) Milk; Concentrated, Refrigerated, (3) Milk; Dry, Modified, Sweetened, (4) Milk; Pasteurized; Reconstituted; Blended; Standardized, (5) Buttermilk Solids; Cultured, Dry, and (6) Milk, Dry; Whole.

In cooperation with representatives of the Veterinary Division, Army Medical Center, work was completed showing that commercial chocolate drink can be stored at  $-17.8^{\circ}$  C. ( $0^{\circ}$  F.) for 380 days without flavor deterioration or protein flocculation. Work has also been completed showing the effect of the addition of sugar with and without ascorbic acid on the keeping quality of frozen homogenized milk.

#### Inspection and Grading

Grading and inspection showed some decline over last year due primarily to discontinuance of price support activities for poultry products. These declines were partially offset, however, by continued price support activity



on some dairy products, as well as expanded commercial activities based on requests for poultry grading and inspection because of recently promulgated regulations.

The scope of inspection and grading activities is reflected in the table below:

Table 5 - Comparative inspections and/or gradings of dairy and poultry products, fiscal years 1950 and 1951

Commodity	Unit	Inspections in fiscal year	
		1950	1951
Butter	Pounds	601,088,981	572,296,344
Cheese	Pounds	207,334,338	272,939,407
Dry milk	Pounds	842,456,340	667,078,750
Evaporated milk	Cases	1,406,315	1,024,375
Eggs	Cases	14,272,824	14,776,822
Frozen eggs	Pounds	21,264,092	19,014,392
Dried eggs	Pounds	209,309,924	248,703,230
Processed eggs	Pounds	566,595,831	376,831,768
Poultry (shipping point and terminal market)	Pounds	261,715,386	488,840,564
Dressed poultry (inspected for condition and wholesomeness)	Pounds	393,304,761	561,604,156
Live poultry	Pounds	3,314,261	3,338,164
Turkeys (dressed)	Pounds	243,302,054	2/

1/ Partly estimated.

2/ Turkeys included with Poultry (shipping point and terminal market).

#### Activities under the Research and Marketing Act

A study of the problems in securing milk from emergency sources as compared with securing it from regular local producers, was published during the year. It dealt with the Philadelphia market. The characteristics of the regular milk supply were analyzed in comparison with wartime emergency sources with respect to quality, price, seasonality, and other factors. The results provide a factual basis by which members of the industry can judge advantages and disadvantages of alternate procurement arrangements.

A similar study dealing with milk supply problems in the St. Louis market was published during the year. The St. Louis study examined a long term decline in the number of regular producers and in the total quantity of milk which they were able to supply the market. The changing sources of supply were examined as to the effect of changes in health regulations and enforcement policies of the Health Department, and the effect of pricing and pooling provisions of the Federal milk marketing order.

Progress has been made during the year on historical studies of milk marketing under Federal regulation in five marketing areas: Duluth-Superior, Minneapolis-St. Paul, Louisville, Clinton, and Kansas City. These studies provide appraisals of order operation in the markets concerned, and, as a



series, will facilitate comparisons of specific marketing problems, such as pricing, classification, and pooling procedures, under varied conditions.

A publication on "Sanitary Milk and Ice Cream Legislation in the United States" was issued by the National Research Council during the year under the contract for a study of the effect of regulatory measures upon the quality of milk. The bulletin presents in tabular form the sanitary requirements for milk in 48 States and 84 cities. An intensive study of physical, chemical, and bacteriological characteristics of milk, and of the sanitary regulations and enforcement facilities and practices in eight cities was nearly completed.

A study of the yield of milk powder from a unit quantity of milk was completed in its field work phase, and the data are being analyzed. Basic data on the relationship of fat content to nonfat solids content of milk were obtained in such a way as to indicate some of the factors affecting the relationship.

Central market prices for butter received further study during the year, with reference to the levels and stability of prices. Work was begun on a phase of this project in which an effort will be made to define the marketing channels and practices relating to that butter which forms the basis for the market quotations.

Analysis of margins in distributing milk and milk products in the Duluth-Superior market was continued, with computations of the cost of milk to dealers, and the effect of quantity discounts receiving special attention.

Changes in fluid milk and milk products sales in Federal order markets were studied and published regularly during the year. At the close of the year, an analysis of trends in sales of fluid whole milk relative to sales of fluid skim milk products was under way.

